COMMENTARY

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Senator wants to torpedo Canada's oil and gas industry

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By: Kenneth P. Green

Recently, without much fanfare, Senator Rosa Galvez re-pitched a piece of legislation that died on the vine when former prime minister Justin Trudeau prorogued Parliament in January. Her "Climate-Aligned Finance Act" (CAFA), which would basically bring a form of BDS (Boycott, Divestment, and Sanctions) to Canada's oil and gas sector, would much better be left in its current legislative oblivion.

CAFA would essentially treat Canada's oil and gas sector like an enemy of the state—a state, in Senator Galvez' view, where all values are subordinate to greenhouse gas

emission control. Think I'm kidding? Per CAFA, alignment with national climate commitments means that everyone engaged in federal investment in "emission intensive activities [read, the entire oil and gas sector] must give precedence to that duty over all other duties and obligations of office, and, for that purpose, ensuring the entity is in alignment with climate commitments is deemed to be a superseding matter of public interest."

In plain English, CAFA would require anyone involved in federal financing (or federally-regulated financing) of the oil and gas sector to divest their Canadian federal investments in the oil and gas sector. And the government would sanction those who argue against it.

There's another disturbing component to CAFA—in short, it stacks investment decision-making boards. CAFA requires at least one board member of every federally-regulated financial institution to have "climate expertise." How is "climate expertise" defined? CAFA says it includes people with experience in climate science, social science, Indgineuous "ways of knowing," and people who have "acute lived experience related to the physical or economic damages of climate change." (Stacking advisory boards like this, by the way, is a great way to build public distrust in governmental advisory boards, which, in our post-COVID world, is probably not all that high. Might want to rethink this, senator.)

Clearly, Senator Galvez' CAFA is draconian public policy dressed up in drab finance-speak camouflage. But here's what it would do. By making federal investment off-limits to oil and gas companies, it would quickly put negative pressure on investment from both national and international investors, effectively starving the sector for capital. After all, if a company's activities are anathema to its own federal regulators or investment organs, and are statutorily prohibited from even verbally defending such investments, who in their right minds would want to invest?

And that is the BDS of CAFA. In so many words, it calls on the Canadian federal government to boycott, divest from, and sanction Canada's oil and gas sector—which powers our country, produces a huge share of our exports, and employs people from coast to coast. Senator Galvez would like to see her Climate-Aligned Finance Act (CAFA) resurrected by the Carney government, whose energy policy to-date has been less than crystal clear. But for the sake of Canadians, it should stay dead.

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